

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND DIVISION

EPIC GAMES, INC.,

Plaintiff, Counter-  
Defendant

v.

APPLE, INC.,

Defendant,  
Counterclaimant.

Case No. 4:20-CV-05640-YGR

DECLARATION OF STEPHANIE LOUIE IN  
SUPPORT OF NON-PARTY MICROSOFT  
CORPORATION'S ADMINISTRATIVE  
MOTION TO SEAL PORTIONS OF TRIAL  
EXHIBITS

I, Stephanie Louie, declare as follows:

1. I am currently a Senior Business Franchise Manager at Microsoft Corporation. The facts stated in this declaration are based on my own personal knowledge and, if called as a witness, I could and would testify to those facts.

2. In my current role at Microsoft, I am responsible for managing Microsoft's Minecraft acquisition strategy across console, mobile, PC, and virtual reality platforms with internal and external partners. I have been employed with Microsoft since July 2010. Prior to my current role, I have served as a manager and analyst at Microsoft, primarily working as a financial analyst and then as a financial manager for Microsoft's gaming business. Based on my work experience, I am familiar with Minecraft's business strategies and sales and revenue data as it relates to the distribution of Minecraft across various platforms. In general, the Minecraft team treats Minecraft's data confidentially, even within the company. Microsoft runs on trust of data privacy and it is imperative that this data is kept confidential to protect Minecraft and its platform partners from potential harm.

3. I understand that Apple, Inc. intends to submit the document designated DX-3918 that contains Minecraft's confidential information as a trial exhibit in the above-captioned legal case. I also understand Microsoft is filing a motion to seal portions of that trial exhibit, and I

1 make this declaration in support of that motion. I further understand that Microsoft has filed a  
2 highlighted and sealed copy of the trial exhibit as part of its motion to seal. I have reviewed the  
3 trial exhibit and explain below why the highlighted portions of the documents contain sensitive  
4 and highly confidential information that would cause serious harm if publicly released.

5 4. I have reviewed the document designated DX-3918, attached hereto as Exhibit A,  
6 which is a spreadsheet consisting of two tabs reflecting Minecraft's gross sales revenue and sales  
7 units broken down by platform and bears production number MICROSOFT\_EPIC\_000000013.  
8 For ease of reference, I will refer to that document as the "Minecraft Revenue and Sales Data."

9 5. Microsoft treats the Minecraft Revenue and Sales Data as highly sensitive, and  
10 only discloses it to a select group of individuals on a need-to-know basis. Even though Minecraft  
11 was acquired by Microsoft, Minecraft separates and obfuscates revenue to protect external  
12 partner's data by not disclosing platform-specific information to competing platforms. For  
13 example, even though Xbox is owned by Microsoft, the Minecraft Revenue and Sales Data is not  
14 disclosed or accessible by Xbox because Xbox competes with third-party platforms for Minecraft  
15 sales. The Minecraft Revenue and Sales Data also contains platform-specific information that is  
16 protected by non-disclosure agreements with respective platforms.

17 6. The highlighted portions of the Minecraft Revenue and Sales Data in the version  
18 filed under seal are confidential to Microsoft and would result in harm if publicly disclosed. The  
19 highlighted information reflects highly confidential year-over-year sales data for Minecraft's  
20 performance across its distribution platforms for the years 2015-2020. It thus discloses platforms  
21 on which Minecraft has experienced growth and decline in business over a six-year period and  
22 each platform's respective market share for Minecraft sales. If Minecraft's platform partners,  
23 licensors, or creator partners were to obtain such information, it would place Minecraft at a  
24 competitive disadvantage during contract negotiations with those partners by revealing the degree  
25 to which a particular platform contributes to Minecraft's revenue and sales. Partners, licensors, or  
26 creator partners could reverse engineer sales revenue from the sales units data and vice versa  
27 using the cost of the Minecraft app, in-app, and bundles purchases. Minecraft platform partners  
28

1 with greater revenue and sales shares would have increased leverage in negotiations that they  
2 would otherwise not have but for the disclosure of this information.

3 7. The highlighted portions of the Minecraft Revenue and Sales Data also indicate  
4 the level of sales on each platform by purchase type for the years 2015-2020. It thus discloses the  
5 growth and decline of app, in-app, and bundles purchases over a six-year period which also  
6 reflects Minecraft's monetization strategy. If Minecraft's licensed and creator partners were to  
7 obtain such information, it would place Microsoft at a competitive disadvantage during contract  
8 negotiations with those partners by revealing the portion of Minecraft sales attributed to app, in-  
9 app, or bundles purchases. Because Minecraft licensed and creator partners negotiate based on  
10 expected sales and market share, those partners could use the historic app, in-app, and bundles  
11 purchases information to procure more favorable terms from Minecraft during contract  
12 negotiations.

13 8. Disclosure of both the sales revenue and sales units information would harm  
14 Minecraft because Minecraft competitors would be able to see and use Minecraft Revenue and  
15 Sales Data to their advantage. Competitors could use this data to reposition their strategy in  
16 acquiring our customer base by knowing the spending patterns and platform breakdown of our  
17 users. Competitors could also use this data to their advantage with external partners in licensing,  
18 platform leverage, and other business-related contracts. I understand that such information is  
19 highly valuable to competitors because many competitors pay for third-party estimates of  
20 Minecraft's sales revenue and sales unit information for use to compete in business negotiations.  
21 The current information that is available on most third-party estimates do not go into as much  
22 detail as what is displayed in Minecraft Revenue and Sales Data. Competitors would have access  
23 to detailed information that they would otherwise not have but for this disclosure of this  
24 information.

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1 I declare under the penalty of perjury of the laws of the United States of America that the  
2 foregoing is true and correct.

3 Executed this 29th day of April 2021 in Redmond, Washington.

4  
5 /s/ Stephanie Louie  
Stephanie Louie

**ATTESTATION**

I, David P. Chiappetta, am the ECF user whose ID and password are being used to file the above Declaration. In compliance with Civil Local Rule 5-1(i)(3), I hereby attest that Stephanie Louie has concurred in the aforementioned filing.

/s/ David P. Chiappetta  
David P Chiappetta